

# Division of Human Resources

Analyst: Freeman

## Historical Summary

<b>OPERATING BUDGET</b>	<b>FY 2005 Total App</b>	<b>FY 2005 Actual</b>	<b>FY 2006 Approp</b>	<b>FY 2007 Request</b>	<b>FY 2007 Gov Rec</b>
<b>BY FUND CATEGORY</b>					
Dedicated	2,888,800	2,824,400	2,973,400	3,054,500	2,913,200
Percent Change:		(2.2%)	5.3%	2.7%	(2.0%)
<b>BY OBJECT OF EXPENDITURE</b>					
Personnel Costs	2,124,500	2,119,200	2,204,100	2,312,200	2,146,000
Operating Expenditures	736,000	665,900	741,300	712,900	738,600
Capital Outlay	28,300	39,300	28,000	29,400	28,600
<b>Total:</b>	<b>2,888,800</b>	<b>2,824,400</b>	<b>2,973,400</b>	<b>3,054,500</b>	<b>2,913,200</b>
Full-Time Positions (FTP)	36.00	36.00	36.00	38.00	36.00

## Division Description

The Division of Human Resources manages a comprehensive personnel merit system for classified state employees. The system consists of recruitment, applicant screening, examination systems, job classification, salary administration, employee training and development, an appeals process for disciplinary actions, and an employee information system.

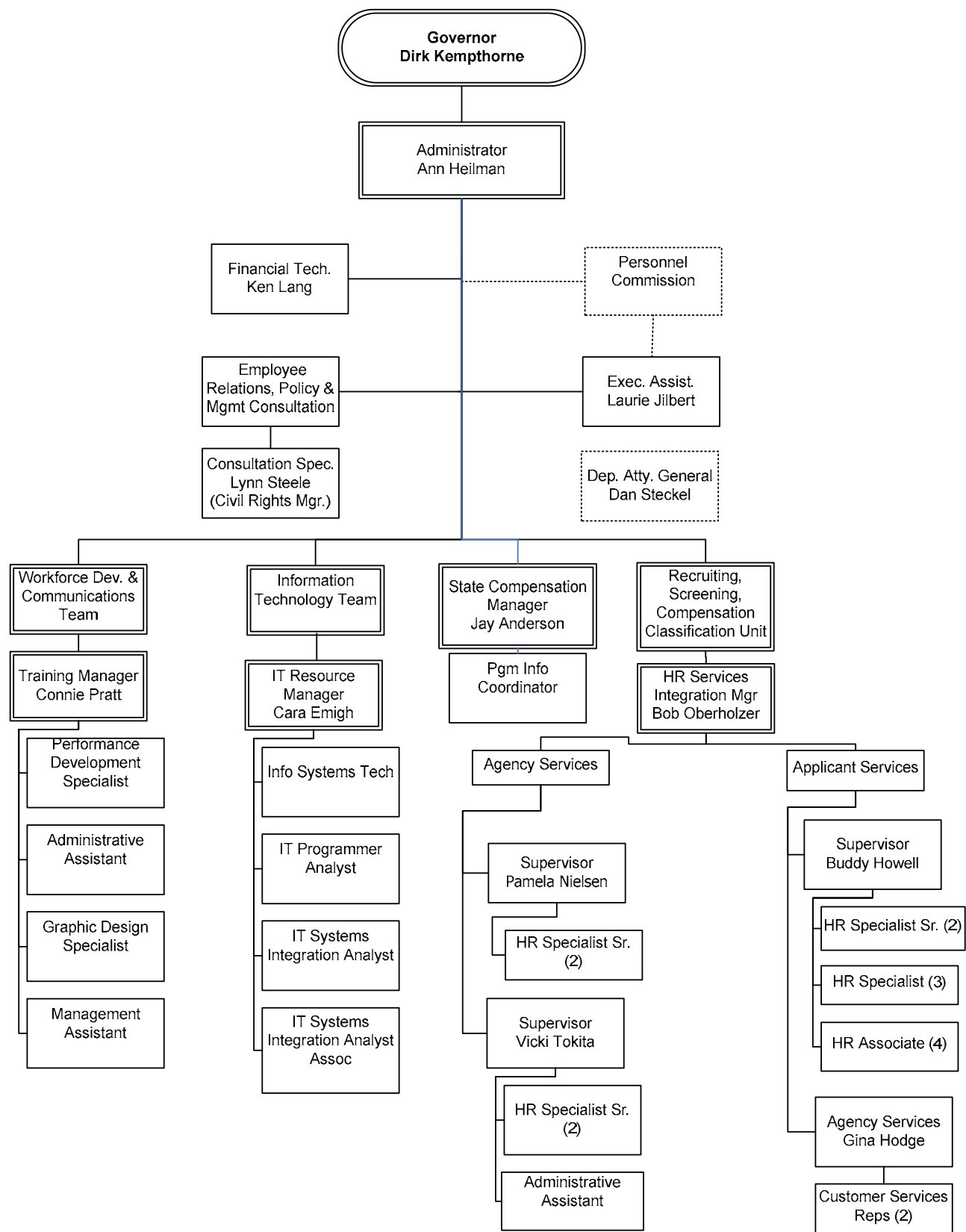
Most of the former powers and duties of the Personnel Commission were transferred to the Administrator of the Division of Human Resources in FY 2000. This position is appointed by and reports to the Governor. The Personnel Commission still exists to hear appeals of dismissals, demotions, or suspensions by agency directors, or rulings made by the Administrator.

[Statutory Authority: Idaho Code §67-5301 et seq.]

# Division of Human Resources

## Agency Profile

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## Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
<b>FY 2006 Original Appropriation</b>	<b>36.00</b>	<b>0</b>	<b>2,973,400</b>	<b>36.00</b>	<b>0</b>	<b>2,973,400</b>
HB 395 One-time 1% Salary Increase	0.00	0	18,500	0.00	0	18,500
Omnibus CEC Supplemental	0.00	0	0	0.00	0	21,700
<b>FY 2006 Total Appropriation</b>	<b>36.00</b>	<b>0</b>	<b>2,991,900</b>	<b>36.00</b>	<b>0</b>	<b>3,013,600</b>
Removal of One-Time Expenditures	0.00	0	(118,500)	0.00	0	(118,500)
<b>FY 2007 Base</b>	<b>36.00</b>	<b>0</b>	<b>2,873,400</b>	<b>36.00</b>	<b>0</b>	<b>2,895,100</b>
Benefit Costs	0.00	0	28,200	0.00	0	(42,500)
Inflationary Adjustments	0.00	0	7,200	0.00	0	7,200
Replacement Items	0.00	0	29,400	0.00	0	28,600
Statewide Cost Allocation	0.00	0	(9,900)	0.00	0	(9,900)
Change in Employee Compensation	0.00	0	18,800	0.00	0	34,700
<b>FY 2007 Program Maintenance</b>	<b>36.00</b>	<b>0</b>	<b>2,947,100</b>	<b>36.00</b>	<b>0</b>	<b>2,913,200</b>
1. Object Transfer for IT Resources	0.00	0	0	0.00	0	0
2. HR Associate FTP	1.00	0	38,600	0.00	0	0
3. State Mediator FTP	1.00	0	68,800	0.00	0	0
<b>FY 2007 Total</b>	<b>38.00</b>	<b>0</b>	<b>3,054,500</b>	<b>36.00</b>	<b>0</b>	<b>2,913,200</b>
Change from Original Appropriation	2.00	0	81,100	0.00	0	(60,200)
% Change from Original Appropriation			2.7%			(2.0%)

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>FY 2006 Original Appropriation</b>	36.00	0	2,973,400	0	2,973,400

## HB 395 One-time 1% Salary Increase

Reflects a one-time 1% Change in Employee Compensation (CEC) increase.

Agency Request	0.00	0	18,500	0	18,500
Governor's Recommendation	0.00	0	18,500	0	18,500

## Omnibus CEC Supplemental

Agency Request	0.00	0	0	0	0
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The Governor's FY 2007 recommendation is a 3% ongoing increase in employee compensation (CEC), based on merit, to commence in FY 2006 with the January 29 pay period. This will allow agencies to fund employee compensation increases for ten pay periods prior to the end of the current fiscal year. Funding for the remaining 16 pay periods is provided in the FY 2007 CEC.

Governor's Recommendation	0.00	0	21,700	0	21,700
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<b>FY 2006 Total Appropriation</b>					
Agency Request	36.00	0	2,991,900	0	2,991,900
Governor's Recommendation	36.00	0	3,013,600	0	3,013,600

## Removal of One-Time Expenditures

Removes funding provided for HB395, the 27th pay period, and other one-time items.

Agency Request	0.00	0	(118,500)	0	(118,500)
Governor's Recommendation	0.00	0	(118,500)	0	(118,500)

<b>FY 2007 Base</b>					
Agency Request	36.00	0	2,873,400	0	2,873,400
Governor's Recommendation	36.00	0	2,895,100	0	2,895,100

## Benefit Costs

Includes the employer-paid portion of estimated changes in employee benefit costs. The two biggest factors are health insurance rates and retirement rates. Health insurance is projected to increase by 6.1% or \$436 per position. Retirement rates are scheduled to increase by 5.9% from 10.39% to 11% of salary for regular employees. Other benefit changes include minor adjustments in unemployment insurance rates and workers compensation rates.

Agency Request	0.00	0	28,200	0	28,200
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Removes the PERSI rate increase and changes benefit costs to reflect a 3.5% or \$250 per FTP increase in health insurance costs. However, the change in health insurance providers, from Blue Shield to Blue Cross, has created a one-time opportunity to use unexpended reserves from the previous contract. This decision unit provides for a health insurance premium reduction equal to two month's premiums for both the employer and employee. Finally, a life insurance holiday is included equal to seven month's premium for the employer's share only.

Governor's Recommendation	0.00	0	(42,500)	0	(42,500)
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## Inflationary Adjustments

Includes a general inflationary increase of 1.9% in operating expenditures.

Agency Request	0.00	0	7,200	0	7,200
Governor's Recommendation	0.00	0	7,200	0	7,200

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>Replacement Items</b>					
11 PCs (\$9,800), 2 laptops (\$4,800), 10 monitors (\$4,700), 9 printers (\$2,700), and 2 servers (\$7,400).					
Agency Request	0.00	0	29,400	0	29,400
<i>The Governor recommends \$2,000 replacement cost per laptop computer, which accounts for the \$800 difference from the request.</i>					
Governor's Recommendation	0.00	0	28,600	0	28,600

<b>Statewide Cost Allocation</b>					
The Statewide Cost Allocation Plan assesses state agencies for their actual use of Attorney General and State Controller, and includes changes in property and casualty insurance premiums. This decision unit also includes changes in fees charged for legislative audits and changes in the cost of office space leased to state agencies by the Department of Administration.					
Agency Request	0.00	0	(9,900)	0	(9,900)
Governor's Recommendation	0.00	0	(9,900)	0	(9,900)

<b>Change in Employee Compensation</b>					
Calculated cost of a 1% salary increase for permanent positions.					
Agency Request	0.00	0	18,800	0	18,800
<i>Provides funding for the remaining 16 pay periods to annualize the 3% ongoing change in employee compensation recommended in the omnibus CEC supplemental.</i>					
Governor's Recommendation	0.00	0	34,700	0	34,700

<b>FY 2007 Program Maintenance</b>					
Agency Request	36.00	0	2,947,100	0	2,947,100
Governor's Recommendation	36.00	0	2,913,200	0	2,913,200

## 1. Object Transfer for IT Resources

This line item would authorize the division to move \$25,700 from operating expenses to personnel costs. The division would like to realign its information technology (IT) staff in order to focus on research, design, development, and implementation of integrated IT systems. To accomplish this realignment without additional funding, the division would reclassify an existing IT position. The fiscal impact of this line item nets to zero.

Agency Request	0.00	0	0	0	0
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

## 2. HR Associate FTP

This line item would provide 1 FTP and \$38,600 in personnel costs. During the recent budget crisis, this position was left vacant for 12 months, at which time the position and funding were removed. The division is experiencing an increased workload as the economy rebounds and is requesting reinstatement of a Human Resources Associate position. No fee increase or additional revenues are needed.

Agency Request	1.00	0	38,600	0	38,600
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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## 3. State Mediator FTP

This line item would provide 1 FTP and \$68,800 in personnel costs for a State Mediator position. Idaho Code currently requires the division to provide mediation, but current staffing levels do not support this service. The availability of mediation services may encourage employees to pursue mutually beneficial conflict resolution knowing a neutral third party is involved. No fee increase or additional revenues are needed.

Agency Request	1.00	0	68,800	0	68,800
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*Not recommended by the Governor.*

Governor's Recommendation	0.00	0	0	0	0
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<b>FY 2007 Total</b>					
Agency Request	38.00	0	3,054,500	0	3,054,500
Governor's Recommendation	36.00	0	2,913,200	0	2,913,200

Agency Request

Change from Original App	2.00	0	81,100	0	81,100
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% Change from Original App	5.6%		2.7%		2.7%
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*Governor's Recommendation*

Change from Original App	0.00	0	(60,200)	0	(60,200)
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% Change from Original App	0.0%		(2.0%)		(2.0%)
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